

Official Statement

Palm Springs Civic Center Authority **Riverside County, California**

\$3,400,000

Lease Revenue Bonds **Series 1977**

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BIDS TO BE RECEIVED BY THE COMMISSION OF THE PALM SPRINGS
CIVIC CENTER AUTHORITY AT 10:00 A.M., TUESDAY, JANUARY 18, 1977
AT THE OFFICE OF THE CLERK OF THE BOARD OF SUPERVISORS,
4080 LEMON STREET, 14TH FLOOR, RIVERSIDE, CALIFORNIA 92501.



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PALM SPRINGS CIVIC CENTER AUTHORITY

Riverside County, California

Lee R. Mohr, *President*

James M. Schlecht, *Vice President*

Eddie F. Choy

Gene E. DeGaine

H. Morgan Dougherty

RIVERSIDE COUNTY

Board of Supervisors

Donald L. Schroeder, *Chairman*

A. A. McCandless

William E. Jones

Clayton Record, Jr.

Norton Younglove

COUNTY ADMINISTRATION

Robert T. Andersen, *County Administrative Officer*

Ray T. Sullivan, Jr., *County Counsel*

Donald D. Sullivan, *County Clerk*

W. Allen Ladd, *County Auditor-Controller*

Donna Bouer Babcock, *County Treasurer*

PROFESSIONAL SERVICES

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Architects

O'Melveny & Myers, *Los Angeles*
Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc., *San Francisco and Los Angeles*
Financing Consultants

United California Bank, *Los Angeles*
Trustee

Manufacturers Hanover Trust Co., *New York City*
Northern Trust Co., *Chicago*
Paying Agents

THE DATE OF THIS OFFICIAL STATEMENT IS DECEMBER 21, 1976.

PALM SPRINGS CIVIC CENTER AUTHORITY

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on and buyers of \$3,400,000 Lease Revenue Bonds, Series 1977, issued for the purpose of financing an addition to the county branch administrative center in the Palm Springs Civic Center.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultant to the Palm Springs Civic Center Authority with regard to the Authority's Lease Revenue Bonds, Series 1977. (Such firm will receive compensation from the Authority contingent upon the sale and delivery of the Bonds.) Summaries herein presented of the Resolution of Issuance, Notice Inviting Bids, Lease-Sublease and other legal documents, proposed project improvements, financial and economic data do not purport to be complete, and reference is made to the documents on file in the office of the Secretary of the Authority for further information. Statements which involve estimates or opinions, whether or not expressly so described herein, are intended solely as such and are not to be construed as factual reports.

This Official Statement does not constitute a contract with the buyers or holders, from time to time, of the Bonds. The Resolution of Issuance, which does constitute such a contract, is available to any prospective bidder on request from said Secretary.

The legal opinion, approving the validity of the Bonds, will be furnished by O'Melveny & Myers, Los Angeles, California, Bond Counsel to the Authority, (see "Legal Opinion"). Bond Counsel's participation in the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions as set forth herein under the captions "The Bonds" and "The Authority."

No dealer, broker, salesman or other person has been authorized by the Authority to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been duly authorized by the Authority.

PALM SPRINGS CIVIC CENTER AUTHORITY

LEE R. MOHR, *President*

DONALD D. SULLIVAN, *Secretary*

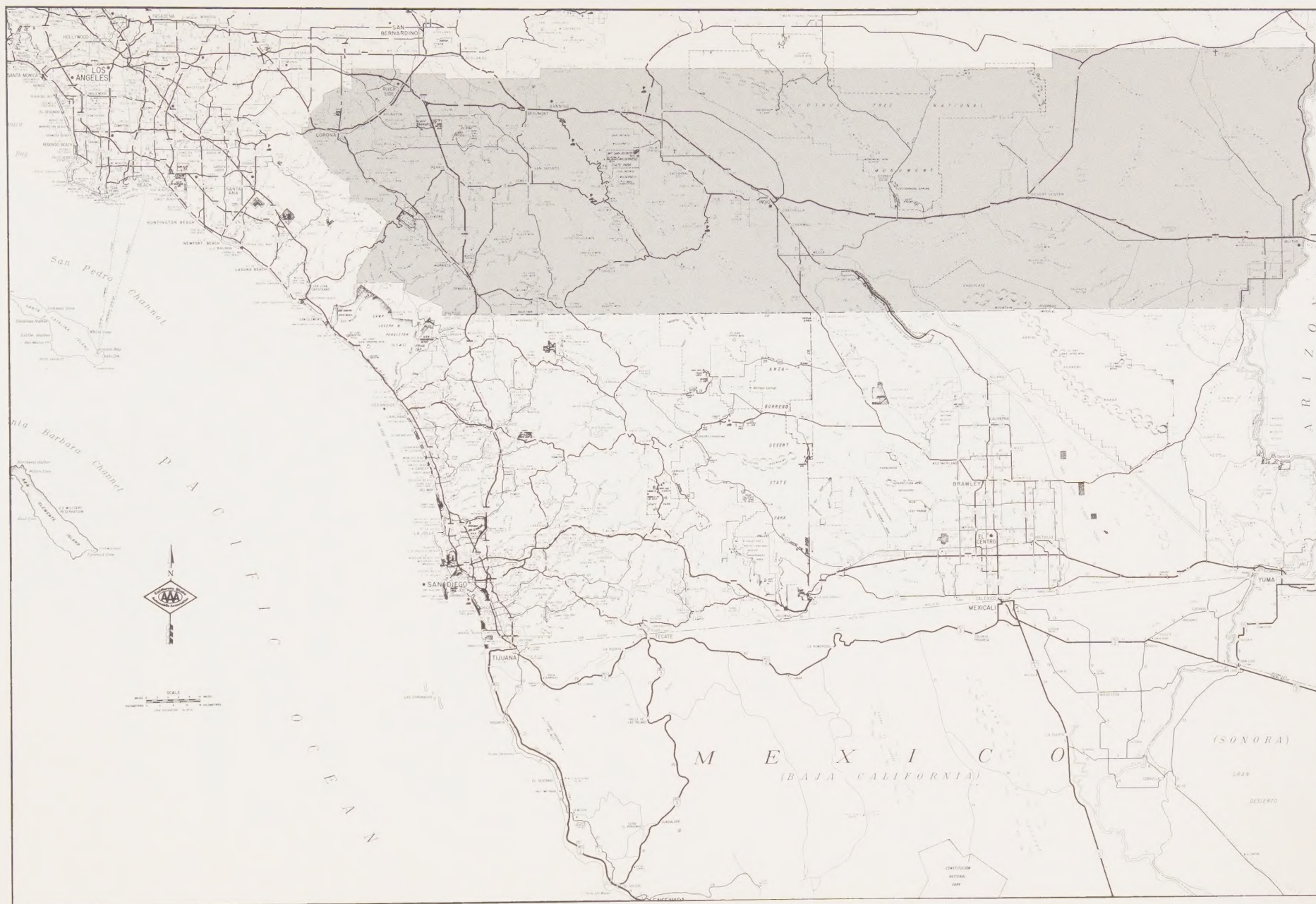
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Riverside County (shaded area) and Southern California. The City of Palm Springs is located along Interstate 10 in the western portion of the county.

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INTRODUCTION

The Palm Springs Civic Center Authority (the "Authority") was formed by a Joint Exercise of Powers Agreement (the "Agreement") between Riverside County (the "County") and the City of Palm Springs (the "City"). The purpose of the Authority is to provide a civic center area, including public buildings and related facilities of both the City and County.

The Authority exists as a separate public agency under the laws of California, with powers established by the Agreement.

The Agreement will remain in force for forty years or until payment, or provision for payment, of the bonds of the Authority has been made. It provides, in general, that the County or City will lease to the Authority, by means of a ground lease or leases, the sites for the County and City facilities; the Authority will issue revenue bonds to finance the project; the County and City will construct their respective facilities as agents for the Authority; and the County and City will sublease these sites and facilities from the Authority, paying annual base rentals sufficient to meet debt service on the Authority bonds plus an amount sufficient for the Authority to meet its annual expenses in connection with the facilities.

The bonds currently offered for sale will be used to finance construction of an addition to the County Branch Administrative Center located in the City of Palm Springs (the "Facilities").

The Facilities to be constructed will be leased pursuant to the Palm Springs Civic Center Facilities Sublease dated as of February 1, 1977 (the "Sublease") by the Authority to the County for a term that ends prior to the termination of both the Agreement creating the Authority and the lease of the site and existing administrative building from the County to the Authority. The Sublease provides that, upon completion of the Facilities, the County will pay an annual rental sufficient to meet all expenses, including bond principal and interest payments, incurred by the Authority in connection with the construction and financing of the Facilities.

Under the Sublease, the County will covenant to include the total rental in its budget each year and to appropriate the necessary money for such rental payments.

To further insure prompt payment of the bonds, the following additional safeguards will be provided.

1. A Reserve Fund equal to one-half maximum annual debt service will be created from bond proceeds and the equivalent of an additional reserve equal to at least one-half maximum annual bond service will be maintained by the timing of rental payments.
2. Various types of insurance will be provided, including earthquake, fire and extended coverage plus business (rent) interruption insurance equal to two years' base rental and additional rental for all such perils, and public liability and property damage protection.
3. Interest on the bonds will be funded from bond proceeds for the anticipated construction period plus an additional six months, making a total of two years' funded interest.
4. A policy of title insurance with lender's leasehold endorsement insuring the validity of the sublease will be obtained prior to the delivery of the bonds.

In the resolution providing for the issuance of the bonds currently being offered for sale, the term the "Project" refers to the Facilities and any additional county facilities in the Palm Springs Civic Center and the site upon which it is located.

Riverside County is the fourth largest county in area in California, comprising 7,249 square miles. The State Department of Finance certified the population of the County to be 547,600 as of July 1, 1976. The 1976/77 assessed valuation of the County, before deduction of State-reimbursed exemptions, is \$2,037,668,985. Of the \$174,575,008 secured taxes levied in 1975/76 and collected by the County, all but \$8,068,949 or 4.62 percent, was collected. The outstanding general obligation bonded debt of the County at the time of the sale of the bonds currently offered will be \$800,000. Including the Bonds currently offered, the County will also have outstanding \$22,145,000 of bonds issued by various joint power authorities and a park corporation. The total rental payments due from the County with respect to these bonds in 1976/77 are \$1,924,540, excluding the Bonds currently offered. The net direct and estimated overlapping bonded debt for the County will be \$210,211,884, or 10.31% of the County's 1976/77 assessed valuation.

THE AUTHORITY

Joint Powers Agreement

The Palm Springs Civic Center Authority was created by a Joint Exercise of Powers Agreement between Riverside County and the City of Palm Springs dated October 26, 1976. The Agreement was made under provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6500. A copy of the Agreement is included among the legal documents accompanying this official statement.

The Agreement has a stated term of 40 years from October 26, 1976 or until payment or provision for payment of all Authority revenue bonds has been made, at which time it will terminate automatically.

Organization

The Authority exists and acts as a separate public entity and is governed by a five-member commission (the "Commission"), three members appointed by the County Board of Supervisors and two by the City Council. One appointed by the City and one by the County initially have two-year terms of office; the other three appointees have four-year terms. The Commission elects or reelects a President and Vice-President annually. The members of the Commission are:

Lee R. Mohr, President, was appointed by the County for a two-year term. Mr. Mohr is an attorney.

James M. Schlecht, Vice President, was appointed by the County for a four-year term. Mr. Schlecht is an attorney.

Eddie F. Choy was appointed by the City for a four-year term, and is a meteorologist.

Gene E. DeGaine was appointed by the City for a two-year term, and is an accountant.

H. Morgan Dougherty was appointed by the County for a four-year term, and is an attorney.

The County Clerk, County Treasurer and County Auditor-Controller are ex-officio the secretary, treasurer and controller, respectively, of the Authority. The County Counsel or City Attorney provide legal advice at the Commission's request.

Powers and Purposes

The Authority has the power to acquire sites and to acquire, construct, maintain, operate and lease public buildings and related facilities, to provide for the development of the Palm Springs Civic Center area, to make and enter into contracts, to acquire, construct, manage, maintain or operate any buildings, works or improvements, to acquire property by lease or purchase, to hold or dispose of property by lease or sale, to incur debts and obligations which are not debts or obligations of the City or the County, including the power to issue revenue bonds to finance construction of the Civic Center improvements.

The Agreement provides for the Authority or the City and County, respectively, to contract for construction of the City and County facilities, which will be financed by the Authority from the proceeds of its revenue bond issues.

Upon termination of the Agreement, all property of the Authority will automatically vest in the respective parties which earlier transferred, conveyed or leased such property to the Authority.

Ground Lease

The site of the proposed administrative center addition is owned by the County and consists of the existing administrative center and surrounding property.

The County and the Authority will execute and record the proposed Palm Springs Civic Center Facilities Ground Lease (the "Ground Lease") at the time of the delivery of the bonds described in this official statement. The Ground Lease is dated as of February 1, 1977. Under the terms of the Ground Lease, the County will lease to the Authority the site then currently owned by the County, and necessary for building construction. Payment for the Ground Lease is \$1 and the Ground Lease will terminate on August 8, 2003, or earlier when all the Authority's bonds have been fully paid and retired (or when payment in full is provided for). The Authority agrees, upon expiration of the Ground Lease, to surrender the site and that any permanent structures upon the site shall remain and title shall vest in the County, free of any interest of, or further payment to, the Authority.

Sublease

Under the Sublease to be executed and recorded prior to the delivery of bonds described herein, the Authority will sublease the site together with the existing administrative center and proposed administrative center addition, back to the County. The term of the Sublease will extend from the date of its execution to August 1, 2003, or until payment, or provision for payment, of all the Authority's bonds has been made. The Sublease, dated as of February 1, 1977, was approved by the County Board of Supervisors on December 14, 1976 by Ordinance, and by the Commission on December 21, 1976.

The Sublease provides that the County will pay the Authority annually in advance a base rental (the "Base Rental") sufficient to meet the annual revenue bond principal and interest requirements, and additional rental ("Additional Rental") in annual amounts sufficient to meet other obligations of the Authority, if any, beginning on October 1, 1978, or when the Facilities are substantially completed, whichever is later, and each July 1 thereafter until payment (or provision for payment) of all bond interest and principal has been made. It is expected that construction of the Facilities addition will be completed by October 1, 1978, and the first base rental payment by the County will equal 75% of Base Rental. Full Base Rental payments will be due each July 1 thereafter.

Actual Base Rental payments will be established after the interest rates on the bonds being offered for sale have been established, and will be sufficient to meet total annual interest and principal payments.

For purposes of this official statement, fixed Base Rental payments are estimated at \$318,000 per year, based upon the schedule of estimated annual debt service presented in Table 1.

Under the Sublease, the County is required to provide for the operation and maintenance of the Project at no expense to the Authority and to pay to the Authority as Additional Rental the amount necessary to cover taxes and assessments, if any, to pay insurance premiums, to meet the operating expenses of the Authority and to maintain a balance of \$2,500 in the Maintenance and Operation Fund created under the Resolution, to the extent interest earnings and other income of the Authority are insufficient for these purposes.

The Sublease provides for the maintenance of such insurance as may be required by the County or by the Resolution (see caption "Insurance Provisions" on page 8). In the event of destruction of all or a part of the Facilities, the Authority may use the insurance proceeds to rebuild the Facilities or to terminate the Sublease and redeem the bonds (but only with the consent of the County where the proceeds are sufficient to rebuild). During the period of reconstruction, proceeds of rental interruption insurance will be applied to the payment of bond interest and principal for a maximum of two years. The proceeds of any award in the event of condemnation, unless such condemnation will not impair the use of the Facilities, will be used to redeem the bonds. Any surplus remaining after redemption of the bonds or reconstruction of the Facilities will be transferred to the County.

THE BONDS

Authority for Issuance

The \$3,400,000 of Palm Springs Civic Center Authority Lease Revenue Bonds, Series 1977 ("the Series 1977 Bonds"), currently being offered for sale, are to be issued pursuant to a Resolution of the Authority adopted December 21, 1976 (the "Resolution"). A copy of the Resolution is included with the legal documents accompanying this official statement as originally distributed.

The Series 1977 Bonds will be issued under provisions of the Government Code (Article 2, Chapter 5, Division 7, Title 1, Section 6540, et seq.) of the State of California.

Sale of the Series 1977 Bonds

Bids will be received by the Commission of the Palm Springs Civic Center Authority at 10:00 A.M., Tuesday, January 18, 1977, at the office of the Clerk of the Board of Supervisors, 4080 Lemon Street, 14th Floor, Riverside, California 92501. Details as to the terms of the sale are included in the Official Notice Inviting Bids approved December 21, 1976, a copy of which accompanies this Official Statement as originally distributed.

Description of the Series 1977 Bonds

The \$3,400,000 principal amount of Palm Springs Civic Center Authority Lease Revenue Bonds, Series 1977, will be dated February 1, 1977, and will be issued in the denomination of \$5,000 each. The Series 1977 Bonds will be numbered 1 through 680 and will be payable annually on August 1 of each year as follows:

Year	Principal Amount	Year	Principal Amount
1980	\$ 95,000	1990	\$180,000
1981	100,000	1991	190,000
1982	105,000	1992	205,000
1983	115,000	1993	215,000
1984	125,000	1994	230,000
1985	130,000	1995	245,000
1986	140,000	1996	265,000
1987	150,000	1997	280,000
1988	160,000	1998	300,000
1989	170,000		

Interest will be payable semiannually on August 1 and February 1 of each year, beginning August 1, 1977. Both principal and interest on the Series 1977

Bonds are payable at the principal office of United California Bank (Trust Division), Los Angeles, California, Trustee for the Authority, or at paying agents for the Authority in The City of New York, New York and the City of Chicago, Illinois.

Redemption Provisions

Except as described in a following paragraph, Series 1977 Bonds maturing on or before August 1, 1990, a total principal amount of \$1,470,000, are not subject to call or redemption prior to their fixed maturity dates. Series 1977 Bonds maturing on or after August 1, 1991, a total principal amount of \$1,930,000, are subject to call and redemption, at the option of the Authority, as a whole or in part in inverse order of maturity and by lot within a single maturity on August 1, 1990, or on any interest payment date thereafter, upon payment of a redemption price equal to the principal amount with accrued interest to the date of redemption plus a premium of one-fourth of one percent for each year or fraction of a year from the redemption date to the maturity date of the Series 1977 Bonds called for redemption. The maximum premium payable upon call of the Series 1977 Bonds for redemption on or after August 1, 1990, would be two percent.

In the event of loss of or substantial damage to or condemnation of the Project which renders it unusable, all or any part of the Series 1977 Bonds may be redeemed at any time by payment of the principal amount and accrued interest to the date of redemption, but without premium.

Notice of Redemption

Notice of redemption is to be published in a financial newspaper or financial journal, published in The City of New York, New York. The first publication will be at least 30 days but not more than 60 days prior to the redemption date. The Trustee is required to give written notice to the owners of any fully registered Series 1977 Bonds.

Registration

The Series 1977 Bonds will be issued as coupon bonds and will be exchangeable for fully registered bonds, which will be subject to discharge from registration at the option of the holder subject to such reasonable terms, conditions and charges as provided in the Resolution.

Legal Opinion

The opinion of O'Melveny & Myers, Los Angeles, California, Bond Counsel for the Authority, attesting to the validity of the Series 1977 Bonds, will be supplied free of charge to the original purchaser of the Series 1977 Bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Series 1977 Bond without charge to the purchaser.

The statements of law and legal conclusions set forth in this official statement under the headings "The Authority" and "The Bonds" have been reviewed by Bond Counsel. Bond Counsel's employment is limited to a review of the legal proceedings required for the authorization of the Series 1977 Bonds and to rendering an opinion as to the validity of the Series 1977 Bonds and the exemption of interest on the Series 1977 Bonds from income taxation (see section hereof entitled "Tax Exempt Status"). The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the Series 1977 Bonds, including this official statement, not mentioned in this paragraph.

Tax Exempt Status

In the opinion of Bond Counsel, interest on the Series 1977 Bonds is exempt from present federal income taxes and from State of California personal income taxes under existing statutes, regulations and court decisions.

Eligibility as Security for Public Funds

The Series 1977 Bonds are eligible to secure deposits of public funds in banks in the State of California.

Eligibility for National Banks

A request has been made to the Comptroller of the Currency for a ruling that the Series 1977 Bonds of the Authority are eligible for purchase, dealing in, underwriting and unlimited holding by national banks. An answer is expected prior to the sale date of the Series 1977 Bonds.

Purpose of Issue

The proceeds from the sale of the Series 1977 Bonds will be used to finance construction of an addition to the Riverside County Branch Admin-

istrative Center in the City of Palm Springs, as described in this Official Statement under the heading, "The Project."

The Trustee

United California Bank, Los Angeles has been appointed Trustee pursuant to the Resolution of Issuance. The Trustee will receive all of the Series 1977 Bond proceeds and will disburse Series 1977 Bond moneys in conformity with the Resolution. In addition to holding and administering the various funds and accounts of the Authority, the Trustee will invest funds held in trust and will be the recipient of all revenues of the Authority. The Trustee will also act as paying agent of the Authority, paying Series 1977 Bond interest and principal. The Trustee will act as Series 1977 Bond registrar and will authenticate all fully registered Series 1977 Bonds.

Security

Bond principal and interest coming due each year are payable from "Pledged Revenues" as defined in the Resolution. The Pledged Revenues will be derived primarily from annual base rental payments by Riverside County for use of the Project. Under the terms of the Sublease to be dated as of February 1, 1977, the County agrees to pay the Authority an annual fixed Base Rental, which will be sufficient to pay bond principal and interest, plus Additional Rental in an amount sufficient to meet other necessary expenses of the Authority. The County has agreed to make appropriations in its annual budget for the amount of the Base Rental and Additional Rental. The foregoing obligations, however, may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights. The County General Fund will be security for the rent and therefore for the bonds. Payment of rent may be made from any unrestricted revenues by the County. The Series 1977 Bonds are not general obligations of the County.

In addition to the projected annual Base Rental payment of \$318,000 for the Series 1977 Bonds, the County is obligated to pay a total of \$1,924,540 in 1976/77 for rental payments to support six previous lease revenue or leasehold mortgage bond issues. These were issued by four other joint power authorities and a non-profit park corporation, as more fully described in the section of this Official Statement entitled "County Financial Data."

The 1976/77 assessed valuation of the County is \$2,037,668,985. The total tax rate required to support the projected lease payments for the administrative center would be less than \$.0156 per \$100 assessed valuation. The tax rate needed to support the outstanding lease revenue and leasehold mortgage bonds in 1976/77 is \$.0945 per \$100 assessed valuation. The latter rate is included in the County's 1976/77 general fund secured rate of \$2.920 per \$100 assessed valuation, excluding the rate for voter-approved general obligation bonds.

Under California statutory tax rate limitations, the County's maximum allowable property tax rate, other than to meet debt service on voter-approved general obligation bond issues, is \$4.010 per \$100 assessed valuation. The 1976/77 rate is \$2.920 per \$100 assessed valuation, or \$1.090 less than the legal maximum. The unused taxing power would produce \$22,210,591, or 9.9 times the total estimated annual base rental on all County lease revenue and leasehold mortgage bonds, including the Series 1977 Bonds.

Disposition of Series 1977 Bond Proceeds

The Resolution of Issuance provides that the proceeds from the sale of the Series 1977 Bonds shall be deposited with the Trustee. The Trustee will then place the accrued interest and premium (if any) in the Interest Account and the balance of the proceeds in the following funds and accounts:

1. In the Interest Account established in the Revenue Fund a sum which, together with the accrued interest and premium, will equal the first twenty-four months' interest on the Series 1977 Bonds.
2. In the Reserve Fund an amount equal to one-half the maximum annual debt service.
3. In the Maintenance and Operation Fund an amount of \$2,500 which is to be maintained as working capital.
4. In the Construction Fund the balance.

Upon completion of the Project, the Trustee shall transfer or hold any remaining balance in the Construction Fund in the following order of priority:

- a. To the Reserve Fund an amount necessary to maintain the balance therein equal to one-half maximum annual bond service.
- b. To either the Interest Account or Principal Account within the Revenue Fund or retain in the Construction Fund, all as provided in the Resolution.

The Resolution

The Resolution contains various covenants and security provisions, certain of which are summarized below. Reference should be made to the Resolution for a full and complete statement of its provisions.

Creation of Special Funds and Accounts

The Resolution of Issuance provides for establishment of special funds and accounts, all to be held and administered by the Trustee. These funds and accounts, together with their sources and uses, are listed in the tabulation at the bottom of the page.

Deposit and Application of Revenues

All Pledged Revenues of the Authority as defined in the Resolution are pledged to the punctual payment of the Bond principal and interest. All Pledged Revenues will be immediately deposited with the Trustee who shall credit the moneys to the Revenue Fund. All moneys in the Revenue Fund are to be set aside and deposited in special accounts or funds in the following order of priority and to be withdrawn from said special accounts and funds only for the purposes set forth.

1. **Interest Account**—Commencing July 15, 1977 and on each July 15 thereafter, the Trustee will deposit a sum sufficient, together with the balance then on hand in said account, to pay the interest becoming due on the outstanding Bonds on the next two following interest payment dates.

2. **Principal Account**—Commencing July 15, 1980 and on each July 15 thereafter, as long as any of the Bonds are outstanding, the Trustee will deposit an amount, which together with the balance on hand in said account, will be equal to the aggregate amount of principal due and payable on the outstanding Bonds on the next August 1. Moneys in this account are to be used solely for the purpose of paying the principal of the Bonds.

3. **Reserve Fund**—Under terms of the Resolution, a bond reserve fund equal to one-half maximum annual bond service will be created from the proceeds of the sale of the Series 1977 Bonds and held by the Trustee. The fund can be used solely to pay Bond principal and interest as such become due and payable in the event no other funds are available and must be replenished if used from excess moneys in the Revenue Fund, if any. Moneys in the Reserve Fund may be applied toward the retirement of the last outstanding Bonds. Moneys in the fund may be invested in authorized investments or may be deposited in interest-bearing accounts. Surplus interest obtained by investment or deposit of moneys in the Reserve Fund shall be transferred to the Construction Fund while the Project is being built and, after completion, such interest earnings are to remain in the Reserve Fund to the extent necessary to maintain a balance in said Reserve Fund equal to one-half maximum annual bond service. Any interest earnings not necessary for such purposes are to be transferred to the Revenue Fund.

The equivalent of an additional reserve equal at all times to more than one-half the annual bond service

Fund	Principal Source	Use
Construction Fund (Section 5.01)	Series 1977 Bond Proceeds	Construction, balance to Reserve Fund, remaining balance to other accounts or funds as indicated in Resolution.
Revenue Fund (Section 6.01)	County Base Rental Payments	Transfers to Interest, Principal and other required accounts or funds; purchase of bonds.
Interest Account (Section 6.01)	Premium and Accrued Interest, Transfers from Revenue Fund	Bond interest.
Principal Account (Section 6.01)	Transfers from Revenue Fund	Bond principal.
Reserve Fund (Section 6.02)	Series 1977 Bond Proceeds and Revenue Fund	Bond principal and interest.
Maintenance and Operation Fund (Section 6.03)	Series 1977 Bond Proceeds, Revenue Fund and Additional Rent	Authority's administrative and miscellaneous expense.
Redemption Fund (Section 4.07)	Any authorized source	For call of Bonds ahead of maturity.

will be created by the timing of the Base Rental payments to become due after completion of the Facilities. Base Rental will be received approximately 6 months prior to the time they will be required to meet the February 1 interest payment and 12 months prior to the time they will be required to meet the August 1 payment of principal and interest. Accordingly the balance in either the Revenue Fund or in the Interest and Principal Accounts together with the balance in the Reserve Fund should at all times exceed maximum annual bond service.

4. **Maintenance and Operation Fund**—A sum of \$2,500 will be initially deposited into the Maintenance and Operation Fund from Series 1977 Bond proceeds and at least this amount must be maintained as unencumbered working capital. Moneys in this fund are to be disbursed by the Trustee for payment of such items as taxes or assessments, if any, levied upon the Project, administrative costs of the Authority, Trustee's fees, and insurance premiums. It is anticipated that revenues from investment of the Reserve Fund will provide some portions of moneys for these purposes. The Authority is required to bill the County on August 1 of each year for Additional Rental becoming due during the fiscal year.

5. **Surplus** — Any moneys in the Revenue Fund on June 30 of each year, on and after June 30, 1980, provided that the moneys are not required for the above purposes or to meet bond service requirements in the next succeeding year, may be used, at the direction of the Authority, for the purchase or the redemption of bonds, or for future additions or improvements to the Project, or as a credit against the County's obligation for Base Rental and additional rent.

Additional Series of Bonds

Section 7.15 of the Resolution provides that no additional indebtedness evidenced by revenue bonds payable out of the Pledged Revenues of equal rank with the Series 1977 Bonds (the Series 1977 Bonds together with any additional series of Bonds are collectively referred to herein as the "Bonds"), may be issued. Additional series of Bonds may be issued subject to the conditions which include the following:

1. The additional series of bonds must be for the purpose of financing completion of the Project or an addition to the Project and must be determined and declared by the Authority by supplemental resolution to be necessary.
2. The Authority must be in compliance with all covenants of the Resolution of Issuance.

3. The additional series of bonds must be serial bonds payable as to principal on August 1, with interest payable on February 1 and August 1 of each year. The additional series of bonds may not be subject to redemption prior to August 1, 1991, except in the event of condemnation of or damage to the Project.
4. The Authority must enter into a revised Sublease with the County in which the County obligates itself to increase the base rental and additional rental under the lease in amounts sufficient to provide for the payment of the principal of and interest on all outstanding Bonds.
5. Provision must be made to increase the Reserve Fund to an amount equal to at least one-half maximum annual bond service on all Bonds to be outstanding thereafter.

Insurance Provisions

The Authority covenants in the Resolution to maintain or cause to be maintained insurance, if such insurance is available on the open market from reputable insurance companies, or from the United States of America or any agency thereof, including the following:

1. Against loss or damage to the property resulting from fire, lightning, and other perils ordinarily defined as extended coverage in amounts not less than the full insurable value of the properties as defined in the Resolution or the amount of the Authority's outstanding bonds, whichever is less, subject to deductible conditions of not to exceed \$10,000 for any one loss.
2. Against earthquakes either in an amount not less than the full insurable value of the properties, or in the amount of the Authority's outstanding bonds (waiver of co-insurance provisions), whichever is less; and a deductible amount of not to exceed \$10,000 for any one loss.
3. Against war risks, in an amount not less than 80 percent of the full insurable value; and
4. To maintain or cause to be maintained use and occupancy or business interruption or rental income insurance against all of the above perils in an amount of not less than two years' base rental and estimated additional rental.
5. To maintain or cause to be maintained public liability insurance of not less than \$250,000 per person and \$1,000,000 per any one acci-

dent and property damage insurance of at least \$50,000.

6. Worker's compensation for all persons employed in connection with the Project.

If the Project is condemned, or if it is destroyed and the Authority is unable to rebuild it within the period for which rental interruption insurance is provided, the proceeds of the condemnation award or insurance proceeds are to be used for the redemption of the Bonds prior to maturity.

If the Project can be rebuilt within the time for which rental interruption insurance is available, then the Authority must rebuild unless the County agrees instead to use the insurance proceeds for redemption of all outstanding Bonds prior to maturity.

Investment of Funds

The Trustee will keep the funds of the Authority invested or on deposit in such manner as will produce reasonable interest returns in the opinion of the Trustee. All such investments must mature not later than the time the funds will be required.

Additional Covenants

The Resolution contains other covenants, including but not limited to the following, by which the Authority agrees:

1. To punctually pay the principal and interest on the Bonds as they become due.
2. Not to mortgage, encumber, sell, lease, place a charge on, or otherwise dispose of the Project or the revenues therefrom and not to enter into any agreement which impairs the operation of the Project or otherwise impairs the rights of the bondholders with respect to the revenues or operation without making adequate provision to protect the rights of Bondholders.
3. To construct and complete the Project in conformity with the construction contract (under the sublease the Authority agrees to require 100% performance bonds and labor and materialmen's bonds of the contractor).
4. To pay, discharge, or contest any taxes, assessments or other governmental charges upon the Project or the revenues which might impair the security of the Bonds.
5. To keep proper books of records and accounts and to file with the Trustee annually, within 120 days after the end of each fiscal year,

detailed independent certified audits covering the operation of the Authority, showing revenues, expenses, insurance in force, and the status of each fund and account.

6. To maintain or cause to be maintained and to keep in good repair the Project and all buildings and equipment.
7. If for any reason the Authority should operate the Project, to fix, prescribe and collect charges which will be sufficient with all other income of the Authority to pay the principal of and interest on the Bonds as they become due and to pay for all expenses of operation, maintenance and repair of the Project and to maintain the special funds and accounts provided for in the Resolution.
8. To comply with the requirements of section 103(d), Internal Revenue Code of 1954, as amended.

Environmental Impact

Pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 and following) and in conformity with existing local regulations, an environmental impact assessment of the Project was made and a negative declaration adopted by the Board of Supervisors. A Notice of Determination was filed with the County Clerk on November 5, 1976.

Official Statement

At the time of payment for and delivery of the Series 1977 Bonds, but only upon written request of the purchaser of the Bonds, the Authority will furnish the purchaser a certificate, signed by an appropriate officer of the Authority, to the effect that at the time of sale of the Series 1977 Bonds and at all times subsequent thereto, up to and including the time of delivery of the Series 1977 Bonds, the official statement relating to the Series 1977 Bonds did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

Amendments to the Resolution

The Resolution may be amended without consent of Bondholders but with the consent of the Trustee for the following purposes:

- (1) To cure any ambiguity or formal defect or omission in the Resolution;

(2) To grant or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders or the Trustee; or

(3) To issue an additional series of Bonds.

The Resolution and the rights and obligations of the Authority and of the holders of Bonds issued thereunder may be modified or amended at any time by supplemental resolution adopted by the Authority with the consent of Bondholders holding 60% in aggregate principal amount of the outstanding Bonds (exclusive of Bonds owned by the Authority, the County or the City) provided that no such modification or amendment shall, without the express consent of the holder or registered owner of the Bond affected, reduce the principal amount of any Bond, reduce the interest rate payable thereon, extend the maturity or the time for paying interest thereon or change the monetary medium in which principal and interest is payable, nor shall any such modification or amendment reduce the percentage of consent required for amendment or modification. The Resolution sets forth the procedures for obtaining consent of the Bondholders to any amendment or modification either by calling a meeting of Bondholders or by obtaining written consents.

Events of Default and Remedies

The Resolution declares each of the following events to be an event of default:

(1) Failure to pay the principal of or any premium on the Bonds when due and payable.

(2) Failure to pay interest on the Bonds when due and payable.

(3) Default by the Authority in the performance or observance of any of the covenants, agreements or conditions in the Bonds or in the Resolution if such default continues for 60 days after written notice thereof has been given (a) to the Authority by the Trustee or (b) to the Authority and the Trustee by the holders of not less than 25% in aggregate principal amount of the Bonds at the time outstanding.

(4) Failure of the Authority to bring suit or other legal proceedings against the County for failure by the County to budget, appropriate or pay the amount due the Authority under the Sublease, if such failure continues for a period of 30 days after the County's failure to so budget, appropriate or pay.

(5) The occurrence of any other event of default under the Sublease.

(6) The assumption by any court of competent jurisdiction, under the provisions of any law for the relief or aid of debtors, of custody or control of the Authority or the whole or any substantial part of its property, if such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control.

In the event of default, the Trustee may, and at the written request of the holders of not less than 25% aggregate principal amount of Bonds at the time outstanding must, declare the principal of all the Bonds then outstanding and the interest thereon to be due and payable immediately.

In addition, in the case of an event of default, the Trustee in its discretion may, and upon written request of not less than 25% of the holders of the Bonds then outstanding and upon being indemnified to its satisfaction therefor must, proceed to protect or enforce its rights or the rights of the Bondholders by whatever appropriate judicial proceeding or proceedings the Trustee deems most effectual.

In the event that the Trustee, upon the happening of an event of default, shall have taken some action it shall have the full power, in the exercise of its discretion, to continue, discontinue, withdraw, compromise, settle or otherwise dispose of such action unless, if the event of default is still in existence, there has been filed with it the written request signed by the holders of at least 25% of the Bonds outstanding opposing such continuance, discontinuance, withdrawal, settlement or other disposal of such litigation.

Closing Papers

Each proposal will be understood to be conditioned upon the Authority furnishing to the Purchaser, without charge, concurrently with payment for and delivery of the Series 1977 Bonds, the following closing papers, each dated the date of such delivery:

(a) *Legal opinion*—The opinion of O'Melveny & Myers of Los Angeles, California, Bond Counsel for the Authority, approving the validity of the Series 1977 Bonds and stating that interest on the Series 1977 Bonds is exempt from income taxes of the United States of America under present federal income tax laws, and that such interest is also exempt from personal income taxes of the State of California under present state income tax laws.

A copy of said opinion of O'Melveny & Myers, certified by an officer of the Agency by facsimile signature, will be printed on the back of each Series 1977 Bond. No charge will be made to the Purchaser for such printing or certification.

(b) *Arbitrage Certificate*—A certificate of the Treasurer of the Authority that on the basis of the facts, estimates and circumstances in existence on the date of issue, it is not expected that the proceeds of the Series 1977 Bonds will be used in a manner that would cause the Series 1977 Bonds to be arbitrage bonds.

(c) *No-Litigation Certificate* — A certificate signed by an officer of the Authority that there is no litigation threatened or pending affecting the validity of the Series 1977 Bonds.

(d) *Signature Certificate*—A certificate of the officers and representatives of the Authority, showing that they have signed the Series 1977 Bonds, whether by facsimile or manual signature, and that they were respectively duly authorized to execute the same.

(e) *Receipt* — The receipt of the Authority showing that the purchase price of the Series 1977 Bonds, including interest accrued to the date of delivery thereof, has been received by the Authority.

(f) *Certificate Re Official Statement* — A certificate as described herein under the heading "Official Statement" but only if requested in writing in accordance with the provisions set forth under the heading "Official Statement".

ESTIMATED ANNUAL BOND SERVICE

Table 1 presents an estimate of annual bond service on the Lease Revenue Bonds, Series 1977. Interest is estimated at 6½ percent per annum. Based on this interest rate, annual Base Rental is estimated at \$318,000. Average annual bond service at 8 percent per annum, the statutory maximum, would be \$356,000, resulting in annual Base Rental of \$360,000.

Table 1
PALM SPRINGS CIVIC CENTER AUTHORITY
LEASE REVENUE BONDS, SERIES 1977
Estimated Annual Bond Service

Year Ending August 1	Bonds Outstanding	Interest Estimated at 6½ %	Principal Maturing August 1	Total Bond Service
1977	\$3,400,000	\$ 110,500①	\$ —	\$ 110,500
1978	3,400,000	221,000	—	221,000
1979	3,400,000	221,000	—	221,000
1980	3,400,000	221,000	95,000	316,000
1981	3,305,000	214,825	100,000	314,825
1982	3,205,000	208,325	105,000	313,325
1983	3,100,000	201,500	115,000	316,500
1984	2,985,000	194,025	125,000	319,025
1985	2,860,000	185,900	130,000	315,900
1986	2,730,000	177,450	140,000	317,450
1987	2,590,000	168,350	150,000	318,350
1988	2,440,000	158,600	160,000	318,600
1989	2,280,000	148,200	170,000	318,200
1990	2,110,000	137,150	180,000	317,150
1991	1,930,000	125,450	190,000②	315,450
1992	1,740,000	113,100	205,000②	318,100
1993	1,535,000	99,775	215,000②	314,775
1994	1,320,000	85,800	230,000②	315,800
1995	1,090,000	70,850	245,000②	315,850
1996	845,000	54,925	265,000②	319,925
1997	580,000	37,700	280,000②	317,700
1998	300,000	19,500	300,000②	319,500
Total		\$3,174,925	\$3,400,000	\$6,574,925

① Six months' interest.

② Callable on or after August 1, 1990.

THE PROJECT

Project Description

The Series 1977 Bonds will be used to finance an addition to the existing County of Riverside branch administrative center located in the City of Palm Springs civic center. The site is located at the southwest corner of Tahquitz-McCallum Way and El Cielo Road.

The existing branch administrative center is a one-story structure with partial basement, totalling about 12,000 square feet. The addition will add 30,000 square feet on the ground floor and 15,000 square feet in the basement. Construction will be steel, wood and concrete block and will be compatible with the architecture of the existing structure and surrounding civic center.

In addition, the present 55-space surface parking lot will be expanded to 160 parking spaces. In accordance with City of Palm Springs requirements, the entire site will be fully landscaped and necessary outdoor lighting installed.

The completed facility will house branch superior and municipal courts and related court facilities, and offices of the County Assessor, Health Department, Probation Department and Social Services Department.

Construction is scheduled to take eighteen months, with project completion by July 1, 1978.

Contractor's Obligation

The contractor has 545 calendar days to complete the project. To assure completion, the contractor is required to post 100 percent faithful performance and labor and materialmen's bonds.

Estimated Project Costs

Table 2 presents a summary of estimated project costs, based on the successful construction bid received on December 1, 1976, together with estimated incidental costs. The successful bidder was Baldi Brothers Construction Company, Beaumont, California.

Incidental costs include interest during construction for a period of two years. Interest will, therefore, be funded from Series 1977 Bond proceeds for a period of approximately six months beyond the scheduled completion date.

Table 2

PALM SPRINGS CIVIC CENTER AUTHORITY Estimated Project Costs

Construction	\$2,384,172
Contingencies	120,000
Inspection and testing	41,400
Architect	174,000
Fixtures and incidentals	120,000
Subtotal	\$2,839,572
Interest during construction	442,000
Reserve fund	160,000
Working capital	2,500
Financing incidentals	54,500
Total	\$3,498,572
Less: Interest earnings during construction	98,572
Amount of bond issue	\$3,400,000

COUNTY FINANCIAL DATA

The Series 1977 Bonds are secured by Pledged Revenues primarily consisting of lease payments from the County of Riverside as lessee of the Project. Therefore, financial data pertaining to the County is presented in this section.

Assessed Valuations

The assessed valuation of the County is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. The State Board of Equalization reports that County assessed valuations for 1976/77 average 23.3 percent of full cash value. Utility property is reported to be assessed at 25 percent of full cash value.

Under amendments adopted in 1968 to the Constitution and Statutes of the State of California, two unique types of exemptions of property from ad valorem taxes became effective for the first time in the 1969/70 fiscal year. One of these exempts 50 percent of business inventories from ad valorem taxes. The other provides for an exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling if the owner files for the exemption. The revenue estimated to be lost to each taxing entity as a result of these exemptions is reimbursed to the taxing entity from state funds. The reimbursement is based upon the total taxes which would be due on the assessed valuation of the property qualifying for these exemptions.

The tabulation below summarizes the 1976/77 assessed valuation of the County before and after giving effect to these exemptions.

RIVERSIDE COUNTY

1976/77 Assessed Valuation

Local Secured Roll	\$1,522,517,991
Utility Roll	129,861,945
Unsecured Roll	159,543,656
	\$1,811,923,592
State-reimbursed exemptions	225,745,393
Assessed Valuation for Revenue	
Purposes	
	\$2,037,668,985

Source: County Auditor-Controller.

Since 1972/73, the County's assessed valuation has increased 40 percent, as summarized in the tabulation on the next page.

RIVERSIDE COUNTY

Assessed Valuations

Fiscal Year	Assessed Valuation*
1972/73	\$1,453,564,146
1973/74	1,572,408,499
1974/75	1,724,479,557
1975/76	1,864,993,867
1976/77	2,037,668,985

*Before deduction of State-reimbursed exemptions.

Source: County Auditor-Controller.

Tax Rates, Levies and Delinquencies

Ad valorem taxes of the County are collected by the County Tax Collector at the same time and in the same manner as city and school district taxes. Taxes are payable on November 1 and February 1 and become delinquent on December 10 and April 10, except taxes on certain properties which are assessed on the unsecured roll. Unsecured taxes are assessed on March 1 and become delinquent the following August 31.

The tabulations below and in the opposite column summarize the 1976/77 secured tax rates and the total secured taxes levied in and collected by the County and the amounts and percentages delinquent as of June 30 for the five fiscal years 1971/72 through 1975/76. The County does not compile totals of prior year collections, penalties and interest.

RIVERSIDE COUNTY

1976/77 Secured Tax Rates Per \$100 Assessed Valuation Levied by County

County-wide Taxes:

General	\$2.920
Debt service	.003

Total County-wide Taxes \$2.923

Other County Taxes:

County free library ^①	\$.153
County structural fire protection ^②	.168
Supervisory road district No. 4 ^③	.100

Total Taxes Levied by County \$3.344

① Assessed Valuation of Area Taxed: \$1,044,607,086.

② Assessed Valuation of Area Taxed: \$981,347,921.

③ Assessed Valuation of Area Taxed: \$209,516,511.

Source: County Auditor-Controller.

RIVERSIDE COUNTY

Secured Tax Levies & Delinquencies

Fiscal Year	Tax Levy	Delinquent as of June 30	
		Amount	Percent
1971/72 ..	\$130,537,996	\$5,949,651	4.56%
1972/73 ..	139,756,811	5,902,455	4.22
1973/74 ..	136,312,274	6,856,529	5.03
1974/75 ..	152,183,813	8,558,485	5.62
1975/76 ..	174,575,008	8,068,949	4.62

Source: County Auditor-Controller.

Major Taxpayers

The County Tax Collector reported the ten principal property taxpayers in the County in 1975/76 to be as shown in the following tabulation.

RIVERSIDE COUNTY

Major Taxpayers

Property Taxpayer	Taxes Paid 1975/76
General Telephone Co.	\$4,099,198
Southern California Edison Co.	3,122,303
Pacific Telephone Co.	2,547,450
Kaiser-Aetna Corp.	2,352,939
Southern California Gas Co.	1,897,646
Kaiser Steel Corp.	1,402,371
Rohr Industries	723,850
American Cement Co.	624,548
Sunkist Growers	476,989
Southern Pacific Co.	438,531

Source: County Tax Collector.

Retirement System

County employees participate both in Federal Social Security and in a defined-benefit pension plan which is administered in accordance with a contract between the County and the State of California Public Employees' Retirement System (PERS). PERS is a statewide system operated pursuant to Title 2, Division 5, Part 3 of the Government Code. State law requires that PERS undergo actuarial review not less often than every fourth year. Benefit Technology (formerly Actuarial Systems, Inc.), independent actuaries and consultants, completed the last

outside review of PERS' actuarial experience for the four-year period ending June 30, 1973. The most recently made actuarial valuation of the system, as of June 30, 1975 was made by the State's Actuarial Division. The report identified an "unfunded supplemental liability" of \$1,271,956,710, as of June 30, 1975, for the local miscellaneous employees group, which would include employees of the County, other than sheriff, fire and other safety personnel. The "unfunded supplemental liability" for all other member groups (State Miscellaneous, State Safety, Highway Patrol, Local Safety, which would include sheriff, fire and other County safety personnel, and County Schools), as of June 30, 1975, was \$5,822,022,351. The report includes a discussion of new actuarial assumptions to provide for amortization of unfunded liabilities in the various member groups within PERS. Additional information is available from State of California Public Employees' Retirement System, 1416 Ninth Street, Sacramento, California 95814.

State law provides that, when rendered necessary by changes in benefits or by periodic actuarial review, PERS may modify the amounts of annual pension contributions by agencies contracting with it.

The County Administrative Office reports the County's total retirement expense for 1975/76 and 1976/77 as presented in the tabulation below. Pension costs are funded by monthly contributions to both PERS and Social Security. The excess, if any, of the actuarially computed value of vested benefits over the amounts available in the pension fund (PERS) was not determined as of June 30, 1976.

RIVERSIDE COUNTY Retirement Expense

Group	1975/76 Actual	1976/77 Budgeted
PERS—Miscellaneous ...	\$3,963,155	\$4,790,931
PERS—Safety	1,438,209	1,558,713
Social Security	2,621,536	2,920,991
Total	\$8,022,900	\$9,270,635
Total Employees*	5,685	5,735

*Authorized full-time.

Source: County Administrative Office.

Liability Insurance

As of November 1, 1976, the County had the following insurance in effect: Bodily injury, property

damage and auto fleet—up to \$15,000,000 with \$50,000 deductible; Comprehensive on buildings and other property based on value of item insured with \$10,000 deductible; Comprehensive on boilers and machinery based on value of item insured with \$5,000 deductible; and Comprehensive on airport operations with a \$20,000,000 maximum coverage. The County also carries a blanket employees' fidelity bond and earthquake insurance on those structures financed by lease-revenue bonds.

Fund Balances

The County's fund balances as of June 30, 1976 were as shown below.

RIVERSIDE COUNTY

Fund Balances as of June 30, 1976

General Fund	\$1,130,695
Road Fund	350,320
Capital Outlay Fund	30,000
County Library Fund	138,523
Other Funds	574,437
Total	\$2,223,975

Source: County Auditor-Controller.

Revenues and Expenditures

The County does not have an independent outside audit of its finances conducted. In accordance with State law, the County Auditor-Controller reports revenues and expenditures to the State Controller annually. Table 3 on page 17 presents a summary of County revenues and expenditures for the fiscal years 1971/72 through 1975/76.

Lease Obligations

Including the Bonds currently offered, four joint powers authorities and one non-profit corporation have issued a total of \$22,535,000 of bonds which are secured by pledges of rental revenues under leases of the projects to the County. As of the sale date of the Bonds currently offered, and including said Bonds, \$22,145,000 of these bonds will be outstanding. The annual base rentals due under all the leases, excluding that for the Bonds currently offered, total \$1,924,540 through 1983/84; \$1,762,940 from 1984/85 through 1992/93; \$912,300 in 1993/94; \$730,500 in 1994/95; and \$364,500 from 1995/96 through 1999/2000.

Table 3**RIVERSIDE COUNTY****Summary of Revenues and Expenditures**

Fiscal Year	1971/72	1972/73	1973/74	1974/75	1975/76
REVENUES					
Property taxes	\$ 40,355,708	\$ 42,125,073	\$ 40,158,002	\$ 42,880,534	\$ 47,554,153
Other taxes	4,208,380	4,964,682	5,673,609	5,596,654	6,347,396
Licenses and permits	1,268,628	1,441,810	1,183,046	955,625	1,604,151
Fines, forfeits and penalties	2,344,338	2,158,625	2,358,977	3,023,078	3,152,755
Rent and interest	1,772,005	2,686,456	4,164,128	3,675,857	2,609,799
Subventions and grants ..	63,720,546	73,928,228	72,892,662	75,884,815	87,675,308
Service charges	2,840,641	3,271,714	4,353,427	4,989,552	5,956,234
Other revenues	(28,364) ①	(17,793) ①	975,574	1,759,286	497,311
Total Revenues	\$116,481,882	\$130,558,795	\$131,759,425	\$138,765,401	\$155,397,107
EXPENDITURES					
General	\$ 12,760,182	\$ 16,677,802	\$ 23,028,598	\$ 31,693,858	\$ 33,119,742
Public protection	22,009,989	25,181,163	30,135,057	34,687,910	35,899,551
Roads	7,060,716	8,119,445	8,733,060	9,757,833	9,336,079
Health and sanitation	4,618,978	7,764,194	10,819,312	12,498,103	14,211,712
Public assistance	62,159,396	61,644,602	55,288,448	56,983,701	66,534,517
Education	1,612,008	1,882,563	1,407,330	1,408,738	1,517,785
Recreation	704,358	855,160	1,123,064	1,420,113	1,077,367
Bond Service	328,020	318,975	316,422	318,612	139,014
Airport	143,287	180,764	220,421	252,493	249,814
Total Expenditures ..	\$111,396,934	\$122,624,668	\$131,071,712	\$149,021,361	\$162,085,581

① Shown as negative figure since revenue applicable to previous fiscal years.

Source: County Auditor-Controller, as reported to State Controller.

Debt Limit

Section 25371 of the Government Code of the State of California provides that a county may not enter into a long-term lease and lease-back if 60 percent of the total payments which would then be due from the county under all such lease and lease-back contracts over their entire terms, plus the outstanding bonded indebtedness of the county, would exceed the maximum allowable bonded indebtedness of the county.

Based on records of the County Auditor-Controller, as of February 1, 1977, 60 percent of the total payments due under leases covered by Section 25371 (excluding the rentals pledged to the payment of the Bonds currently being offered for sale) would be \$19,682,124. The maximum annual base rental for the Palm Springs branch administrative center addition has been established at \$360,000 by an

ordinance of the Board of Supervisors adopted December 14, 1976. If the maximum annual rental were paid over the life of the bond issue, 60 percent of the total amount due would be \$4,104,000, which would bring the total covered by Section 25371 to \$23,786,124. In addition there is \$800,000 in outstanding general obligation bonds. The total 1976/77 assessed valuation of the County is \$2,037,668,985. Section 29707 of the Government Code specifies that the maximum bonded indebtedness of the County (excluding bonds to finance water conservation, flood control, irrigation, reclamation, drainage, and county roads) is five percent of the assessed valuation or, in the case of Riverside County, \$101,883,445. Accordingly, if the annual base rental for the branch administrative center addition were established at the maximum level established by the Board of Supervisors, the County would have an unused debt capacity of \$77,297,321.

Annual Debt Service and Lease Obligations

Table 4 to the right presents a summary of general obligation bond service requirements and rental obligations due in the future, excluding the rentals pledged to the payment of the Bonds currently being offered for sale. As noted above, the Board of Supervisors has established the maximum annual base rental at \$360,000. However, the Sublease provides that the first payment will be due on the later of the date of completion of the project, or October 1, 1978, and will be pro-rated.

The column headed "Lease Revenue Obligations" shows the annual base rentals pledged to the payment of bonds issued by authorities created under joint exercise of powers agreements and a non profit corporation, but do not include variable additional rentals payable by the County to such lessors to meet the lessor's expenses in addition to bond service.

Special Factors

The County's ability to pay rentals to the Palm Springs Civic Center Authority in amounts sufficient to enable the Authority to service its Series 1977 Bonds has been estimated largely on the basis of the County's historical experience with growth in assessed valuation and with tax delinquency rates. While an effort has been made to make the estimates conservatively within such historical experience, there can be no assurance that actual experience in the future will conform to the estimates.

The estimates have also assumed that no adverse changes will occur in a number of special factors. Such special factors include:

Tax Limitations: Projections of the County's tax headroom assume no change in the laws limiting property tax rates. However, tax limitation is a subject of continuing legislative concern, and changes in the law could either enhance or impair the County's ability to raise its tax rate or obtain tax revenues for the purpose of paying rentals. For this reason, the financing plan has been designed to keep estimated tax requirements within the projected 1976/77 tax rate limitation. Additional growth of taxing capability beyond 1976/77, if it continues subject to present laws and practices, may provide an additional resource for Bond payment.

Assessment Ratios: Assessment ratios for residential property are also subject to change by the legislature in ways which may cause the County's assessed valuation to change in the future.

Table 4

RIVERSIDE COUNTY

Future General Obligation Bond Service and Rental Obligations^①

Fiscal Year	General Obligation Bond Service	Lease Rental Obligations ^②	Total
1977/78 ...	\$107,600	\$ 1,924,540	\$ 2,032,140
1978/79 ...	105,000	1,924,540	2,029,540
1979/80 ...	102,400	1,924,540	2,026,940
1980/81 ...	99,600	1,924,540	2,024,140
1981/82 ...	96,800	1,924,540	2,021,340
1982/83 ...	94,000	1,924,540	2,018,540
1983/84 ...	91,200	1,924,540	2,015,740
1984/85 ...	88,400	1,762,940	1,851,340
1985/86 ...	85,600	1,762,940	1,848,540
1986/87 ...	82,800	1,762,940	1,845,740
1987/88 ...	—	1,762,940	1,762,940
1988/89 ...	—	1,762,940	1,762,940
1989/90 ...	—	1,762,940	1,762,940
1990/91 ...	—	1,762,940	1,762,940
1991/92 ...	—	1,762,940	1,762,940
1992/93 ...	—	1,762,940	1,762,940
1993/94 ...	—	912,300	912,300
1994/95 ...	—	730,500	730,500
1995/96 ...	—	364,500	364,500
1996/97 ...	—	364,500	364,500
1997/98 ...	—	364,500	364,500
1998/99 ...	—	364,500	364,500
1999/00 ...	—	364,500	364,500
Total ...	\$953,400	\$32,803,540	\$33,756,940

① Source: County Auditor-Controller.

② Excludes Bonds currently offered.

School Financing: In 1974 in the case of *Serrano v. Priest*, the California Superior Court in Los Angeles held that the practice of basing school financing upon local property taxes discriminates against students in poor school districts, in violation of the California Constitution, and that the state must therefore revise its system of school financing. This decision is presently on appeal to the California Supreme Court and was argued in June 1976. If the decision is upheld on appeal, no reliable estimate can be made at this time as to what form or extent of County activity will be required to comply with the decision, or whether and to what extent such compliance will affect the County's ability to continue to levy taxes sufficient to pay rentals, consistent with applicable tax rate limits.

Revenue Sharing: The federal revenue sharing program is presently scheduled to terminate December 31, 1976. Whether revenue sharing will be continued and, if so, for what term and with what restrictions cannot be reliably predicted at this time. However, the Project to be financed with the Series 1977 Bonds does not rely in any manner on revenue sharing funds.

Direct and Overlapping Debt

The County of Riverside will have outstanding on the date of sale of the Bonds currently offered \$800,000 of general obligation bonds issued for construction of a hospital. These will mature \$80,000 annually with the final maturity January 1, 1987. Table 5 below presents a summary of the County's direct and estimated overlapping bonded debt.

Table 5

RIVERSIDE COUNTY

Statement of Direct and Estimated Overlapping Bonded Debt

Population (July 1976 estimated)	547,600 ^①
1976/77 Assessed Valuation	\$2,037,668,985
Estimated Market Value	\$8,707,461,000 ^②

	Percent Applicable ^③	Debt Applicable January 18, 1977 ^④
Riverside County	100. %	\$ 800,000
Metropolitan Water District	2.685	14,556,164
Other Water Districts	Various	65,137,149
Community College Districts	Various	8,712,504
High School Districts	Various	6,743,763
Unified School Districts	Various	69,825,841
School Districts	Various	2,348,000
Special Districts	100.	30,016,500
Cities	100.	17,873,000
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT .		\$216,012,921
Less self-supporting city and special district bonds		5,801,057
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT ...		\$210,211,884

	Ratio to		
	1976/77 Assessed Valuation	Estimated Market Value	Per Capita
Assessed Valuation	100. %	② %	\$3,721
Direct Debt	.04	.01	2
Gross Total Debt	10.60	2.48	394
Net Total Debt	10.31	2.41	384

① Source: State Department of Finance estimate.

② The State Board of Equalization reported 1976/77 Riverside County assessed valuations average 23.3 percent of full value except for public utility property which is reportedly assessed at 25 percent of full value.

③ Source: California Municipal Statistics, Inc., San Francisco, California.

④ Excludes revenue bonds and county and authority lease obligations (\$22,145,000, including the Bonds currently offered for sale) and city and district authority lease obligations (\$41,010,000). Excludes sales and repayments, if any, between December 7, 1976 and January 18, 1977.

RIVERSIDE COUNTY

Geography

Riverside County is the fourth largest county in California in terms of area, with a total of 7,249 square miles. The county is situated immediately east of Los Angeles and Orange Counties and extends from within 10 miles of the Pacific Ocean across the width of the state to the Arizona border. It encompasses a wide variety of terrain and elevations range from 200 feet below sea level at the Salton Sea, to 11,000 feet above sea level at the summit of Mt. San Jacinto.

The County's predominant topographical characteristic is that of valleys and rolling uplands in the western portion of the County and desert in the eastern portion. The Santa Ana River and tributary streams form a wide valley around the cities of Riverside and Corona. The San Jacinto, Perris, and Allessandro Valleys extend northwest from the foot of the San Jacinto Mountains to the City of Riverside. A number of smaller valleys lead southwest from the same point to Lake Elsinore. On the eastern side of the San Jacinto Mountains is the upper portion of the vast Coachella Valley. Further east are desert plains and isolated mountains which reach to the Palo Verde Valley along the Colorado River.

In contrast to the relatively low rainfall over most of the County, the high San Jacinto Mountains sometimes experience precipitation of 40 inches in a year.

During the years from 1950 to date the County has undergone a transformation from an essentially rural economy to a metropolitan complex of residential areas, industry, and highly developed agricultural activities. Between 1950 and July 1976 County population more than tripled, increasing from 170,046 to 547,600. Assessed valuation increased from the 1950 total of \$244,266,560 to the 1976/77 assessed valuation of \$2,037,668,985.

Population and Growth

In the past two decades, the population of the County has grown at a faster pace than the State of

California as a whole, increasing by 222 percent between 1950 and 1976, as compared with a state-wide growth rate of 103 percent for the same period. The tabulation below presents a summary of County population growth as compared to the entire state. Of the County's July 1976 population of 547,600, 65% live within the County's 17 incorporated cities.

RIVERSIDE COUNTY

Population Growth

Year	County	State
1940①	105,524	6,907,387
1950①	170,046	10,586,223
1960①	306,101	15,717,204
1970①	459,074	19,953,134
1976②	547,600	21,520,000

① U.S. Census.

② State Department of Finance as of July.

Continued, albeit slower, population growth is forecast for the County. As experienced in previous years, the inflow of residents from other parts of the nation as well as from neighboring counties is expected to account for the major part of future population gains.

Industry

In the years since 1950, expansion of the County's industrial base has been a major contributing factor to growth and development. County leaders have followed a policy of encouraging industrial development. These efforts are headed by the Riverside County Department of Development which was established and is supported by the County government.

The leading industries in the County belong to the electrical machinery and aircraft/space products group. The largest are Rohr Corporation and Bourns, Incorporated, located in the City of Riverside, and employing 1,400 and 1,200 respectively. Several smaller electronics firms and precision metal products manufacturers are located in the industrialized areas of the county, and act as subcontractors for the larger firms in the vicinity and in other parts of southern California.

Other major industrial firms in the County, employing between 325 and 900, include: Alcan Aluminum, Alcoa Corporation and Amax Aluminum Mill Products — manufacturers of aluminum prod-

ucts; Deutsch Corporation—electronic components; Fleetwood Enterprises — mobile homes; Lily-Tulip Division of Owens-Illinois Corporation—paper containers; Press-Enterprise—newspaper publisher; Rail Systems Incorporated—refurbishing of rail cars, primarily for Amtrak; and Sunkist Lemon Products.

The County is in the midst of a sustained period of economic growth similar to those which commenced earlier in Los Angeles and Orange Counties. Proximity to the Los Angeles and Orange County markets, excellent transportation facilities, an expanding labor supply and the availability of industrial sites have all contributed significantly to growth and development in the County. Despite increasing urbanization in many areas of the County, extensive lands are expected to remain available for agricultural development. Since 1950, crop acreage in the County has expanded by 20 percent while the value of all agricultural products has increased over five times.

The major part of this growth to date has taken place in the northwesterly part of the County and in the desert resort areas east of the San Jacinto Mountains, but still in the western third of the County. Much of the western third of the County contains prime agricultural lands in large ownerships. It is anticipated that the northwest corner of the County, with approximately 50 percent of the present population and industrial firms, will continue to attract the majority of new industry. This industrialized corner of the County is adjacent to the southwest corner of San Bernardino County, where comparable industrial development has also taken place. These two areas are closely related and together form a leading center of industrial production and research and development.

Extensive mineral production activities are carried out in eastern portions of the County. At Eagle Mountain is the state's largest iron ore deposit, supplying the Kaiser Steel mill at Fontana in San Bernardino County and providing ore for export.

Processing of food and kindred products has long been associated with Riverside County, particularly the preparation of lemon juice and dates. California Date Growers in Indio, the Lemon Products Division of Sunkist Growers, Inc., in Corona, and Butcher Boy Food Products in Riverside, are the largest industries in the food products group. On a seasonal basis more than 4,000 workers are employed at packing plants and processing operations throughout the County.

The County and most local government policies favor industrial expansion and the majority of Riverside County's 17 cities have ample industrially zoned areas. The Riverside County Department of Development reports an abundance of land available for development in the County zoned for light, medium, or heavy industrial use, most of which is served with all utilities as well as municipal sewer and water facilities.

There are a total of 32 manufacturing industries with 150 or more full-time employees in the County, as listed in Table 6 on page 23. There are also 8 industries in the County employing from 100 to 150. In addition, adjacent San Bernardino County contains more than 100 industries employing 100 or more persons, the majority of which are within commuting distance for residents of northwest Riverside County.

Government Installations

March Air Force Base, located approximately ten miles southeast of the City of Riverside, is the largest Air Force facility in Southern California. Covering approximately 8,000 acres, March AFB is a component of the Strategic Air Command and serves as headquarters of the 15th Air Force. About 1,225 civilians and 5,000 military personnel are employed at the base.

The Navy's Fleet Missile Systems Analysis and Evaluation Group Annex employs 650 civilians at Norco, southwest of Riverside.

Also at Norco, the California Rehabilitation Center, a low security state penal institution, has a payroll of approximately 625 civilians.

Other large government employers in the County are the County itself, City of Riverside, the University of California at Riverside, and the Riverside Unified School District.

Agriculture

Agriculture in the County has been maintained on a large scale despite increasing urbanization of parts of the County. The value of County agricultural products ranks high among the top 20 counties in the United States, primarily because of its long growing season, rich, irrigated soil, efficient processing and distribution systems, and the concentration on high value crop production. Since 1950, the value of agricultural production has increased from \$88.5 to \$459.1 million in 1975.

Three separate areas in the County account for the major portion of agricultural production. These are the western third of the County, the Coachella Valley east of the San Jacinto Mountains, and the Palo Verde Valley near the County's eastern border at the Colorado River.

The major production categories are milk, cattle and calves, eggs, grapes, grapefruit, carrots and grain products. In 1975, there were 49 production categories that had a value in excess of \$1,000,000.

The County's dairy industry continues to grow, adding an average of \$3 million per year to the value of milk production. Part of this growth may be attributed to the conversion of extensive dairy acreage in Orange County to urban and suburban use forcing dairymen into less congested areas.

The tabulation below presents agricultural crop valuations for the past five years, as reported by the County Agricultural Commissioner.

RIVERSIDE COUNTY

Agricultural Crop Valuations

Year	Valuation
1971	\$267,209,749
1972	292,480,000
1973	396,700,000
1974	391,800,000
1975	459,154,000

Source: County Agricultural Commissioner.

Employment

As previously noted, Riverside and San Bernardino Counties are closely related geographically and economically, and are both undergoing a transition from an economy based on agriculture to one based on trade and industry. Because of this relationship, the two counties are designated as a single metropolitan area for certain statistical purposes, and together comprise the Riverside-San Bernardino-Ontario Labor Market Area. The tabulation in the column opposite shows the approximate distribution by industry of the persons employed in the labor market area in August 1975 and 1976, as reported by the California Employment Development Department. Principal sources of employment, as indicated in the tabulation, are government, trade, services, and manufacturing.

RIVERSIDE-SAN BERNARDINO-ONTARIO

LABOR MARKET AREA

August 1975 and 1976 Employment

Type of Employment	August 1975	August 1976
Agriculture	18,500	17,800
Mining	2,400	2,400
Construction	12,900	12,500
Manufacturing	51,400	52,300
Transportation, Communications and Utilities	18,600	18,500
Trade, Wholesale and Retail ...	80,500	82,700
Finance, Insurance and Real Estate	12,100	12,200
Services	67,100	67,700
Government	85,500	85,000
TOTAL	349,000	351,100
Seasonally adjusted unemployment rate	9.5%	9.6%

Source: California State Employment Development Department.

Mineral Production

Mineral extraction is an important basic industry in the County. Total value from mineral production in 1974, the latest period for which figures are available, was \$95,761,000.

A variety of products are mined in the County, but the bulk of the output is iron ore, cement, stone, sand and gravel. Most of these are used locally to supply such basic industries as chemicals, stone, clay and glass products; and primary metals. The exact values of all of these commodities are not released to avoid disclosure of confidential information. However, it is estimated that cement, clay and iron ore represent approximately 85 percent of the County's total mineral production. Of the 2,400 persons engaged in mining activities in the Riverside-San Bernardino-Ontario Labor Market Area, over 700 are employed in Riverside County at Eagle Mountain at the Kaiser Steel iron ore mine, and over 200 at the American Cement Company operation at Rubidoux.

The tabulation on the next page summarizes the total value of mineral production in the County for the years 1970 through 1974, as reported by the State Division of Mines and Geology.

RIVERSIDE COUNTY

Mineral Production

Year	Value
1970	\$74,549,000
1971	61,024,000
1972	60,223,000
1973	86,163,000
1974	95,761,000

Source: State Division of Mines and Geology.

Commerce

Commercial activity in the County has exceeded the growth in population and industry. Taxable transactions increased from \$356,225,000 in 1960 to \$1,502,113,000 in 1975 (the latest year for which full-year statistics are available), as reported by the State Board of Equalization. During this period these transactions more than tripled in annual volume. It should be noted that the motor vehicle dealers and auto supplies increased by almost \$223,000,000, due to a great extent to the establishment of one of the nation's largest concentrations

Table 6

RIVERSIDE COUNTY

Industrial Firms With 150 or More Employees

Firm	Location	Employees	Product
Alcan Western Products	Riverside	400	Aluminum sheet
Alcoa	Corona	325	Aluminum castings
Amax Aluminum Mill Products	Riverside	330	Aluminum sheet
Amoco Reinforced Plastics	Riverside	150	Plastic pipe
ATCO Structures	Riverside	250	Prefabricated housing
Aurora Modular Industries	Riverside	150	Modular buildings
Bourns, Incorporated	Riverside and Romoland	1,200	Electronics
Bianchi	Temecula	160	Police accessories
Bird Corporation	Palm Springs	160	Respirators, resuscitators
Borg-Warner	Temecula	275	Mechanical seals
Butcher Boy Food Products	Riverside	260	Frozen foods
Cal Date	Indio	150-500	Date packing
Clow Corporation	Corona	198	Fire hydrants, valves
Corona Clipper Company	Corona	175	Tools
Deutsch Corporation	Banning	500-900	Electrical components
FMC	Riverside	300	Food machinery
Golden West Motor Homes	Three Locations	174	Mobile homes, trailers
Hunter Engineering	Riverside	335	Rolled, sheet aluminum
International Furniture	Corona	150	Upholstered furniture
Johns-Manville Fiberglass	Corona	425	Fiberglass insulation
Lancer Homes	Two Locations	210	Mobile homes
Lily-Tulip Division of Owens-Illinois Corporation	Riverside	388	Paper/plastic cups
Loma Linda Foods	Riverside	150	Foods
Press-Enterprise Co.	Riverside	500	Daily newspaper
Rail Systems Inc.	Mira Loma	300	Refurbished railroad cars
Riverside Cement	Rubidoux	225	Portland cement
Rohr Industries	Riverside	1,400	Aerospace components
Sunkist Lemon Products	Corona	450	Lemon products
3M Company	Corona	150	Abrasives, roofing
Toro Company—Irrigation Division	Riverside	300	Sprinkling systems
UARCO	Riverside	150	Business forms
Yeager Constructors	Riverside	350	Contractors

Source: Riverside County Department of Development, July 1975.

of auto dealers at the Riverside Auto Center in the City of Riverside.

The tabulations below and opposite present taxable transactions in the County for the years since 1971, with a breakdown of the 1975 activities, as reported by the State Board of Equalization.

RIVERSIDE COUNTY

1975 Taxable Transactions

Type	Outlets 7/1/75	Taxable Transactions
Apparel Stores	364	\$ 55,202,000
General Merchandise Stores	270	190,562,000
Specialty Stores	686	62,565,000
Food and Packaged Liquor Stores	648	168,573,000
Eating and Drinking Places	1,051	136,170,000
Household Furnishings and Appliances	439	45,702,000
Building Material and Farm Supplies	345	101,776,000
Auto Dealers and Auto Supplies	455	250,697,000
Gas Stations	596	156,760,000
Personal Services	1,822	64,963,000
Total Retail Stores	6,676	\$1,232,970,000
All Other Outlets	6,239	269,143,000
TOTAL ALL OUTLETS	12,915	\$1,502,113,000

Source: State Board of Equalization.

RIVERSIDE COUNTY

Taxable Transactions

Year	Outlets July 1	Transactions
1971	10,740	943,452,000
1972	11,368	1,119,295,000
1973	11,750	1,274,508,000
1974	12,225	1,369,029,000
1975	12,915	1,502,113,000
1976 (6 mos.)	13,716	852,891,000

Source: State Board of Equalization.

Building Activity

Since 1973, building permit valuations have averaged over \$260 million annually. For the period from January 1973 through September 1976, a total of 16,526 single-family and 6,799 apartment units were built in the County. The tabulation at the bottom of the page presents a summary of building permit valuations in the County since 1973, as compiled by the Riverside County Department of Development.

Banking

The County is served by most major California banks and savings and loan institutions. These are concentrated in the western portion of the County, especially in the City of Riverside, the County seat. There are branches of these institutions throughout the County.

RIVERSIDE COUNTY

Building Permit Valuations

	1973	1974	1975	1976 (9 Months)
Valuations:				
Single-family residential	\$117,541,589	\$ 97,943,430	\$123,494,243	\$166,787,316
Multi-unit residential	56,474,640	16,662,031	24,165,770	31,584,796
New commercial/industrial	42,212,676	23,712,290	23,389,264	21,849,209
Alterations/miscellaneous	62,233,436	49,122,228	59,857,013	46,878,633
Total	\$278,462,341	\$187,439,979	\$230,906,290	\$267,099,954
New Dwelling Units:				
Single-family	4,879	3,254	3,997	4,396
Multi-family	3,625	952	825	1,397
Total	8,504	4,206	4,822	5,793

Source: Riverside County Department of Development.

Transportation Facilities

The County is served by, or accessible to, excellent surface, air and sea transportation facilities. The County is served by an extensive freeway network. The Riverside Freeway (State Route 91), the Pomona Freeway (U.S. 60) and Interstate 15 all link Riverside County with all points in Southern California and beyond. Other highways serving the County include Interstate 10, paralleling the Southern Pacific Railroad transcontinental route through the County; State Route 74, the Pines-to-Palms Highway; State Route 86, to the Imperial Valley, and State Route 71 to the Lake Elsinore recreation area.

Three transcontinental railroads serve the County, providing convenient freight service to major west coast and nationwide markets. The Southern Pacific line passes through Riverside, Beaumont, Banning and the agricultural areas of the Coachella Valley, while the main line of the Union Pacific between Los Angeles and the midwest serves the industrial northwest corner of the County. The Los Angeles-Chicago line of the Santa Fe passes through the City of Riverside with branches to Elsinore, Perris, Hemet and the Palo Verde Valley in eastern Riverside County.

Both Greyhound Lines and Continental Trailways schedule daily transcontinental routes through Riverside County. The Southern California Rapid Transit District provides inter-community and metropolitan service, while several local bus lines in outlying communities connect with major carriers.

There are 29 airports in the County; four are municipally controlled, four are administered by the County, one is operated by the military, and the remaining 20 are privately owned. Regularly scheduled commercial air service is available at Riverside, Palm Springs, Blythe and at Ontario International Airport, 18 miles northwest of the City of Riverside in San Bernardino County.

Education

The County encompasses a total of 31 school districts, including elementary, high school, unified and community college districts.

Higher education in the County is available at a number of well-recognized institutions. One of the nine campuses of the University of California is located three miles east of downtown Riverside. Established in 1907 as the Citrus Experiment Station, the 1,000-acre campus now comprises the Citrus Research Center and Agricultural Experiment Station, the College of Letters and Science, the College

of Agriculture, the Graduate Division, and offices of Agricultural Extension and University Extension. Enrollment is about 5,000 in 1976/77. Modern residence halls make it possible to house approximately half the students on campus.

Four community colleges are strategically located to serve the population centers across the County. They are: Riverside City College in the City of Riverside, the Mt. San Jacinto Community College near the City of San Jacinto, the College of the Desert in Palm Desert (between Indio and Palm Springs), and the Palo Verde Valley Community College in the City of Blythe, which is located near the County's eastern border.

Recreation and Tourism

Recreation and tourism represent an important part of the County economy. Perhaps the best-known community relative to recreation and leisure activities is the City of Palm Springs (where the branch administrative center addition to be financed with the Bonds currently offered will be located).

Palm Springs' climate and recreation facilities have gained national recognition and the number of visitors increases each year. An active convention and visitors bureau has continued to promote conventions. To serve these and other visitors there are approximately 200 hotels, lodges and motels with 6,000 units in or near the city.

Golf is one of the most popular and well-known recreational activities in the area. There are thirty-one golf courses in the vicinity, and many annual tournaments attract thousands of visitors.

Another major tourist attraction is the Palm Springs Aerial Tramway which was opened in 1963. It is the world's longest continuous passenger tramway, providing a spectacular fifteen-minute ascent from the desert north of Palm Springs to an elevation of 8,516 feet on Mount San Jacinto. The alpine setting at the summit of the tramway provides a striking contrast to the desert below and offers a view of hundreds of miles.

The entire County enjoys abundant recreational facilities. Recreational areas at Lake Elsinore and Mount San Jacinto State Park offer campsites, picnic grounds, and swimming areas. In the desert east of Indio, the Salton Sea draws many residents and tourists. Unique because of its location 230 feet below sea level, this State recreational area has commercial establishments, swimming, boating, and picnic grounds. County parks, too, are convenient to every section of Riverside.

CITY OF PALM SPRINGS

The Series 1977 Bonds are not an obligation of the City of Palm Springs. Since the City is a member of the Authority, this section is presented for information purposes only.

The City is located near the center of Riverside County approximately 110 miles east of Los Angeles. Incorporated in 1938, the City comprises about 76 square miles at elevations averaging 400 feet above sea level.

The City experiences a desert climate, with average temperatures ranging from 54 degrees in January to 91 degrees in July. Average annual rainfall is 7.07 inches.

Population

The City's population, as certified by the State Department of Finance on January 1, 1976, was 28,700. This represents an increase of 7,764 or 37% since the 1970 Census. The tabulation below presents the population growth of the City.

CITY OF PALM SPRINGS

Population Growth

Year	Population
1950 ^①	7,660
1960 ^①	13,468
1970 ^①	20,936
1976 ^②	28,700

① U.S. Census.

② State Department of Finance.

Assessed Valuations

The City utilizes the facilities of Riverside County for the assessment and collection of ad valorem taxes. However, public utility property assessed valuations are established by the State Board of Equalization.

The following tabulation presents the City's assessed valuation for the past five years, before deduction of the State-reimbursed homeowner and business inventory exemptions.

CITY OF PALM SPRINGS

Assessed Valuations

Fiscal Year	Assessed Valuation
1972/73	\$149,801,201
1973/74	171,283,649
1974/75	189,573,349
1975/76	202,303,807
1976/77	219,265,427

Source: County Auditor-Controller.

Industry and Employment

Palm Springs is the hotel, retail and financial center of the resort-oriented upper Coachella Valley. It is a major Southern California resort, located within a two-hour drive of over 10 million people residing in Los Angeles, Orange and San Diego Counties. Principal employment categories are various services connected with the over 200 hotels in the City, restaurants and other services; retail trade and professional endeavors.

In addition to resort and convention business, the City is attracting light industry. There are approximately 20 manufacturing plants in the City. The largest of these is the Bird Corporation, which employs 160 in the manufacture of medical respirators. The Desert Sun Publishing Company, employing 100, is another major employer. The other firms employ between 5-50 in the manufacture of a wide range of products.

Transportation

Palm Springs is located on Interstate 10 and the Southern Pacific Company's mainline, both major east-west routes for vehicles and trains, respectively. The City is also served by State Routes 62, 74, 86 and 111.

Interstate bus service is provided by Greyhound Lines. Eight trucklines serve the City, one having a terminal in the City.

Scheduled air service by four major airlines and two commuter airlines is available at Palm Springs Municipal Airport.

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